

C O U N C I L C O M M U N I C A T I O N

TO: THE CITY COUNCIL
FROM: THE CITY MANAGERS OFFICE

COUNCIL MEETING DATE
JUNE 15, 1988

SUBJECT: APPROVE AGREEMENT WITH SEIDLER-FITZGERALD PUBLIC FINANCE TO PROVIDE FINANCIAL SERVICES AND APPROVE AGREEMENT WITH JONES HALL HILL & WHITE TO PROVIDE LEGAL SERVICES ASSOCIATED WITH THE 1988 WASTEWATER TREATMENT PLANT EXPANSION PROJECT


PREPARED BY: City Manager

RECOMMENDED ACTION: That the City Council adopt Resolutions No. 88-80 and 88-81 authorizing the approval of agreements for financial services with Seidler-Fitzgerald Public Finance, and legal services with Jones Hall Hill & White associated with the White Slough Water Pollution Plant expansion project.

BACKGROUND INFORMATION: The City is at that point in the White Slough Water Pollution Control Plant expansion project where retention of bond counsel and bond underwriter is appropriate. The time immediately preceding this is the setting of the public hearing to certify as adequate the Environmental Impact Report. The City Council is familiar with both firms. At the "Shirtsleeve" session of April 26, 1988, the City Council heard a presentation from Mr. John Fitzgerald, of the bond underwriting and financial consulting firm of Seidler-Fitzgerald Public Finance, and Mr. Brian Quint, of the law firm of Jones Hall Hill & White, concerning certain services each would provide in regard to what was then the proposed 230-KV interconnection project. A somewhat similar financing approach is recommended for the White Slough project, except that the sale of the Certificates of Participation will be a negotiated sale rather than a bid sale as was structured for the other project. Mr. Fitzgerald will be prepared to present the various funding approaches available to the City.

Attached (Exhibits A & B) are copies of the resolutions authorizing City Council approval of these agreements. Also attached (Exhibits C & D) are copies of the agreements themselves. Where appropriate dates and issue amount will be changed to reflect actual conditions. The fee for legal services will be approximately \$45,000. The bond underwriters compensation is derived from the discount on the Certificates at the time of the sale. Both are paid from proceeds of the sale of the certificates.

Respectfully submitted,



Thomas A. Peterson
City Manager

TAP:br

Attachments

TXTA. 07A COUNC378

CITY OF LODI

RESOLUTION NO. 88-77

A RESOLUTION APPOINTING SPECIAL LEGAL COUNSEL AND
APPROVING, AUTHORIZING AND DIRECTING EXECUTION OF AN
AGREEMENT FOR LEGAL SERVICES, ALL IN CONNECTION WITH
THE PROPOSED 1988 WASTEWATER TREATMENT PLANT EXPANSION PROJECT

WHEREAS, the City of Lodi (the "City") plans to finance the construction of certain improvements to its municipal wastewater treatment plant by entering into such agreements as may be necessary and to authorize the execution, delivery and sale of certificates of participation in payments to be made under such agreements, and it is desirable to appoint special legal counsel in connection therewith;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lodi, as follows:

Section 1. The law firm of Jones Hall Hill & White, A Professional Law Corporation, San Francisco, California ("Jones Hall") is hereby appointed to act as special legal counsel in connection with said financing proceedings.

Section 2. That certain Agreement for Legal Services by and between the City and Jones Hall for special legal services in connection with said financing proceedings, a copy of which is on file with the City Clerk, is hereby approved. The Mayor, the City Manager or the Finance Director is hereby authorized and directed in the name and on behalf of the City to execute said Agreement and the City Clerk is hereby authorized and directed to attest to such official's signature.

Section 3. Appropriate officers of the City are hereby authorized and directed, in association with Jones Hall, to take such actions and to prepare such documents as shall be necessary and appropriate in connection with such financing proceedings.

Section 4. This Resolution shall take effect upon its adoption by this City Council.

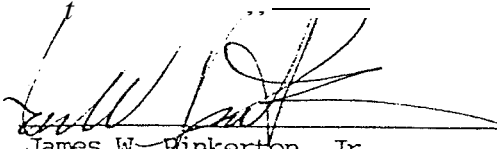
I hereby certify that the foregoing resolution was duly adopted at a meeting of the City Council of the City of Lodi duly held on the 15th day of June, 1988, by the following vote:

AYES, and in favor of, Councilmembers: Hinchman, Olson, Reid, Snider and Pinkerton (Mayor)

NOES, Councilmembers: None


ABSENT, Councilmembers: None

CITY OF LODI


James W. Pinkerton, Jr.
Mayor

[SEAL]

ATTEST:


Alice M. Reimche
City Clerk

AGREEMENT FOR LEGAL SERVICES
(1988 Wastewater Treatment Plant **Expansion** Project)

THIS AGREEMENT FOR LEGAL SERVICES is made and entered into this _____ day of _____, 1988, **by** and between the CITY OF LODI, CALIFORNIA (the "City"), and JONES HALL HILL & WHITE, A PROFESSIONAL LAW CORPORATION, San Francisco, California ("Attorneys").

W I T N E S S E T H:

WHEREAS, the City proposes to finance the construction of certain improvements to its wastewater treatment plant **by** entering into such agreements as may be necessary and to authorize the execution, delivery and sale of certificates of participation in payments to be made under such agreements (the "Certificates"); and

WHEREAS, the City has determined that Attorneys are specially trained and experienced to provide services for the financing and the execution and delivery of the Certificates; and

WHEREAS, the public interest, economy and general welfare will be served by this Agreement for Legal Services;

NOW, THEREFORE, IT IS HEREBY AGREED, as follows:

1. Duties of Attorneys. Attorneys shall provide legal services in connection with the authorization, issuance and consummation of the financing proceedings relating to execution and delivery of the Certificates. Such services shall include the following:

a. Confer and consult with the officers and administrative staff of the City as to matters relating to the financing proceedings;

b. Attend all meetings of the City Council and any administrative meetings at which any financing proceedings relating to the Certificates are to **be** discussed, deemed necessary **by** Attorneys for the proper planning of the financing proceedings or when specifically requested to attend;

c. Prepare any required installment sale agreements, trust agreements, assignment agreements, agency agreements, amendments to existing financing documents, indentures, ordinances and all resolutions, notices and legal documents necessary for the proper conduct of the financing proceedings relating to the execution and delivery of the Certificates;

d. Review all financial documents for legal sufficiency;

e. Review, without undertaking an independent investigation, any official statement or other disclosure document prepared in connection with the financing proceedings to assure correctness of disclosure relating to the legal documents;

f. Prepare and provide a signature and no-litigation certificate, an arbitrage certificate and any and all other closing documents required to accompany delivery of the Certificates;

g. Prepare and provide a complete transcript of the conduct of the proceedings necessary to accompany delivery of the Certificates;

h. Subject to the completion of proceedings to the satisfaction of Attorneys, provide the legal opinion of Attorneys that the interest due with respect to the certificates is excludable from gross income for purposes of federal income taxation and that such interest is exempt from California personal income taxation;

i. Subject to the completion of proceedings to the satisfaction of Attorneys, provide the legal opinion of Attorneys approving in all regards the legality of all proceedings relating to the execution and delivery of the Certificates; and

j. Confer and consult with City officials and agents with regard to problems which may arise during the servicing and payment of principal and interest due with respect to the Certificates.

2. Compensation. For the services set forth under Section I, Attorneys shall be paid the percentage compensation set forth below:

a. One percent (1%) of the principal amount of the Certificates to a principal amount of \$1,000,000 (with a minimum fee of \$15,000 in the event of issuance of a principal amount of less than \$1,000,000), plus;

b. One-half percent (1/2%) of the principal amount of the Certificates in excess of \$1,000,000, but less than or equal to \$5,000,000, plus;

c. One-quarter percent (1/4%) of the principal amount of the Certificates in excess of \$5,000,000, but less than or equal to \$10,000,000, plus;

d. One-eighth percent (1/8%) of the principal amount of the Certificates in excess of \$10,000,000, but less than or equal to \$20,000,000, plus;

e. One-sixteenth percent (1/16%) of the principal amount of the Certificates in excess of \$20,000,000.

In addition, Attorneys shall be reimbursed for any costs advanced by Attorneys on behalf of the City, including delivery and messenger services, closing costs, duplication costs, transcript binding costs and expenses for travel outside the State of California, if any, but specifically excluding travel expenses within the State of California.

Payment of said fees and expenses shall be entirely contingent, shall be due and payable upon the delivery of the Certificates and shall be payable solely from the proceeds of the Certificates or other available moneys of the City.

3. Exceptions. Any services rendered in any litigation involving the City or the financing proceedings relating to the Certificates are excepted from the services to be rendered for the above compensation. For such services which Attorneys are directed to render for and on behalf of the City, compensation shall be on the basis of reasonable fees to be agreed upon by the City and Attorneys.

4. Termination of Agreement. This Agreement for Legal Services shall be indefinite as to term but may be terminated at any time by the City, with or without cause, upon ninety (90) days' written notice to Attorneys. in the event of such termination. all finished and unfinished documents shall, at the option of the City, become its property and shall be delivered by Attorneys.

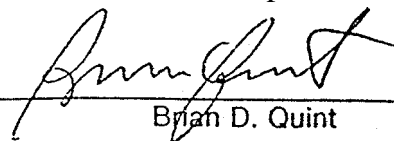
IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

CITY OF LODI, CALIFORNIA

By _____
Title _____

Attest _____
City Clerk

JONES HALL HILL & WHITE,
A Professional Law Corporation

By  _____
Brian D. Quint

23480

CITY OF LODI

RESOLUTION NO. 88-81

A RESOLUTION APPOINTING SPECIAL LEGAL COUNSEL AND
APPROVING, AUTHORIZING AND **DIRECTING EXECUTION OF AN**
AGREEMENT FOR LEGAL SERVICES, ALL IN CONNECTION WITH
THE PROPOSED 1988 WASTEWATER TREATMENT PLANT EXPANSION **PROJECT**

WHEREAS, the City of Lodi (the "City") plans to financethe construction of certain improvements to its municipal wastewater treatment plant by entering into such agreements as may be necessary and to authorize the execution, delivery and sale of certificates of participation in payments to be made under such agreements, and it is desirable to appoint special legal counsel in connection therewith;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lodi, as follows:

Section 1. The law firm of Jones Hall Hill & White, A Professional Law Corporation, San Francisco, California ("Jones Hall") is hereby appointed to act as special legal counsel in connection with said financing proceedings.

Section 2. That certain Agreement for Legal Services by and between the City and Jones Hall for special legal services in connection with said financing proceedings, a copy of which is on file with the City Clerk, is hereby approved. The Mayor, the City Manager or the Finance Director is hereby authorized and directed in the name and on behalf of the City to execute said Agreement and the City Clerk is hereby authorized and directed to attest to such official's signature.

Section 3. Appropriate officers of the City are hereby authorized and directed, in association with Jones Hall, to take such actions and to prepare such documents as shall be necessary and appropriate in connection with such financing proceedings.

Section 4. This Resolution shall take effect upon its adoption by this City Council.

.....

I hereby certify that the foregoing resolution was duly adopted at a meeting of the City Council of the City of Lodi duly held on the 15th day of June, 1988, by the following vote:

AYES, and in favor of, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

CITY OF LODI

Mayor

[S E A L]

ATTEST:

City Clerk

Approved as to form _____

Bob McNatt
City Attorney

Date: _____

CITY COUNCIL

JAMES W PINKERTON Jr Mayor
JOHN R (Randy) SNIDER
Mayor Pro Tempore
DAVID M HINCHMAN
EVELYN XI OLSON
FRED M REID

CITY OF LODI

CITY HALL, 221 WEST PINE STRFET
CALL BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 334-5634
TELECOPIER (209) 333 6795

THOMAS A PETERSON
City Manager
ALICE M REIMCHE
City Clerk
BOB McNATT
City Attorney

June 21, 1988

Mr. John C. Fitzgerald
Managing Director
Seidler-Fitzgerald Public Finance
515 South Figueroa Street
Los Angeles, CA 90071-3396

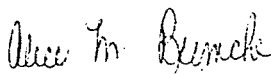
Dear Mr. Fitzgerald:

Please be advised that the Lodi City Council, at its regular meeting of June 15, 1988, approved an agreement with Seidler-Fitzgerald Public Finance to provide financial services associated with the 1988 Wastewater Treatment Plant Expansion Project.

We have enclosed a fully executed copy of the subject agreement and the authorizing Resolution No. 88-80.

Should you have any questions regarding this matter, please do not hesitate to call.

Very truly yours,


Alice M. Reimche
City Clerk

AMR: jj
Enclosures

Seidler-Fitzgerald

Public Finance A Division of Seidler Amdec Securities Inc. • Member: New York Stock Exchange, Inc.

April 38, 1988

Mr. Thomas A. Peterson
City Manager
City of Lodi
221 West Pine Street
Lodi, CA 95241-1910

Dear Mr. Peterson:

We are pleased that Seidler-Fitzgerald Public Finance will be handling the issue and acting as the City's underwriter in connection with the proposed issuance and sale by the City of approximately \$10,000,000 Certificates of Participation, the proceeds of which will be used to finance the White Slough Treatment Facility Expansion.

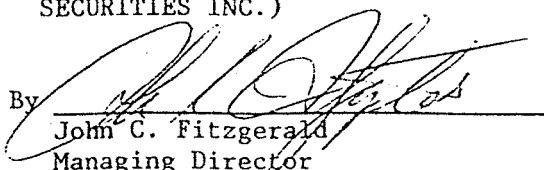
We will work closely with you, the City and bond counsel (Jones Hall Hill & White) to structure the proposed financing. Toward this end the full professional resources of Seidler-Fitzgerald Public Finance will be available to assist the City in this matter.

The City agrees that if the financing is established to our mutual satisfaction, the City will **sell** or cause to be sold the Certificates to Seidler-Fitzgerald Public Finance. Terms and provisions of such sale will be subject to market conditions and the mutual agreement of the City and Seidler-Fitzgerald Public Finance at the time of the sale, estimated to be in mid-June 1988. All fees will be contingent upon the Certificates selling.

Sincerely,


SEIDLER-FITZGERALD PUBLIC FINANCE
(a division of SEIDLER AMDEC
SECURITIES INC.)

By



John C. Fitzgerald
Managing Director

Accepted this 15th day of
June, 1988

CITY OF LODI

By 
Thomas A. Peterson

Title City Manager

Approved as to form:  **Mu& ?**

Bobby W. McNatt
City Attorney

Attest:


Alice M. Reimche
City Clerk